

Losing out on further training

Fewer training opportunities for the increasing number of atypical workers

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Summary of a study commissioned by Bertelsmann Stiftung



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Summary of a study commissioned by Bertelsmann Stiftung:
"Training for atypical workers"
by Lutz Bellmann, Philipp Grunau, Ute Leber and Martin Noack

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Introduction

Almost eight million people in Germany currently work in a fixed-term, part-time or temporary position, or in a marginal employment situation known as a “mini-job.” For statistical purposes, all of these are classified as “atypical workers,” in contrast to workers with standard employment contracts.

A study commissioned by Bertelsmann Stiftung reveals an unequal distribution of training opportunities for workers in these two categories. The moderate increase in Germany’s participation in further training options primarily benefits those with standard employment contracts. In contrast, a large proportion of atypical workers do not participate in advanced vocational training. And it’s not because they don’t want to. Rather, they have difficult access to the market for further training.

Research has yielded numerous theories as to the reason for this: Companies do not show the same care for those with atypical employment as they do for their standard employees. This applies especially if the atypically employed workers are marginal employees. Employers think in terms of profit and critically evaluate whether or not an investment in qualifying atypical workers will pay off sufficiently in view of the workers’ uncertain employment prospects or lower productivity. Even unemployed individuals participate more frequently in training measures than many of those who are employed atypically. The reason behind this is that job agencies place a priority on qualifying unemployed individuals rather than on pursuing preemptive employment policies for marginal workers. Even though such workers may be facing the threat of unemployment, they are seen to at least have paid employment for now.

Still, in view of the shortage of skilled workers, the competitive position of Germany as a place of business, and the stability of the social security systems, the question arises as to whether the government and employers should be doing more to promote the qualification of atypical workers.

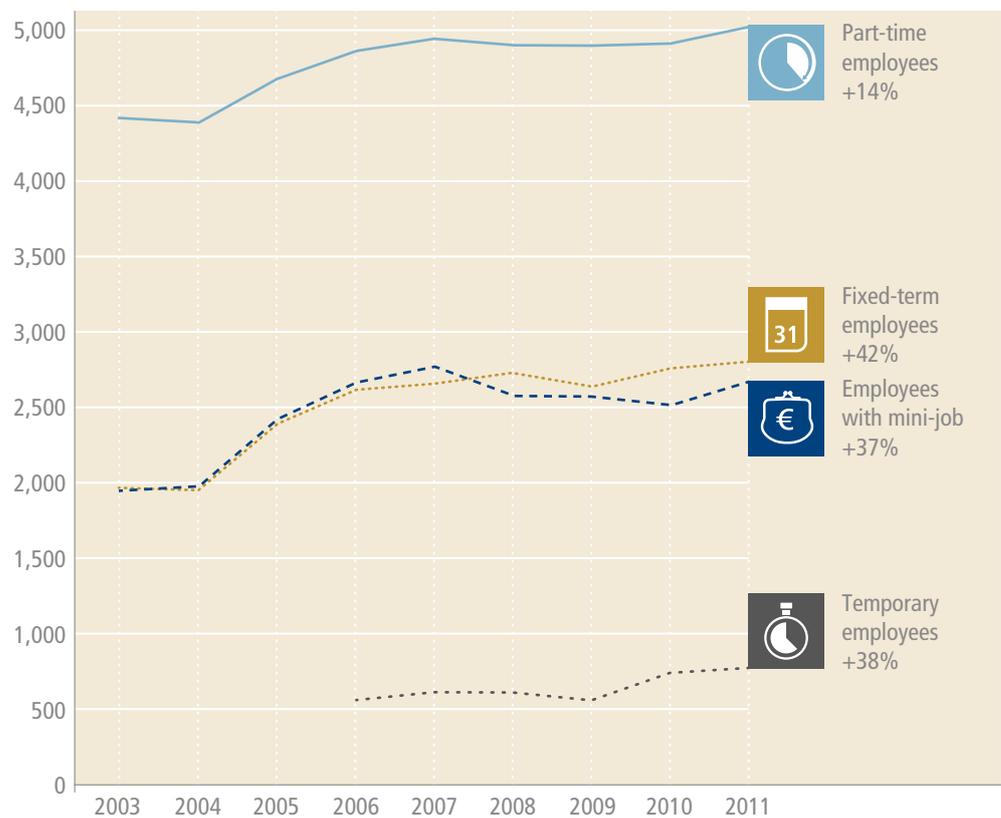
1

One-fourth of all workers do not have a standard employment contract

In the year 2011, nearly 7.9 million workers in Germany did not have a permanent full-time employment contract with a steady employer. That means 25 percent of all workers were in a fixed-term, part-time or temporary position, or only had a mini-job. The number rose by 1.8 million people between 2003 and 2011.

Figure 1: Development of atypical employment between 2003 and 2011

In thousands



Individuals aged 15 to 64, not including students or apprentices, and not including those in temporary or career military service, basic military service or alternative civilian service.

Figures up to 2004 represent a reference week in spring; figures from 2005 onward represent the yearly average. There is overlap between the different groups. For instance, a part-time, temporary employee would appear in both categories.

Figures for temporary employees are only available from 2006 onward.

The largest category of atypical workers was the nearly 5 million part-time workers. There were 2.8 million fixed-term workers, 2.7 million mini-job workers, and 775,000 temporary workers. There is some overlap among the various groups. For instance, fixed-term workers may also be part-time workers.

The most marked increase among the atypical forms of employment was in the category of fixed-term workers (+42 percent), followed by temporary workers (+38 percent), mini-job workers (+37 percent), and finally part-time workers (+14 percent).

Focus of the study

A person is considered to be **atypically** employed if any of the following characteristics apply to his or her job:

- The employment contract has a fixed term.
- The person is employed part-time (defined here as a contractually fixed working time of less than 35 hours a week, since the vast majority of full-time employees work between 35 and 40 hours a week).
- The person is employed by a temporary employment agency and is placed in other companies by this agency.
- The person is marginally employed (i.e. has a mini-job) with maximum monthly wages of EUR 400.

Germany has over 7 million workers engaged in marginal employment. Our study, however, centers on the 2.6 million workers for whom further training would be the key to professional advancement. The study does not include those currently pursuing an apprenticeship, students, retired persons, or individuals engaged in atypical work as a form of secondary employment.

The statistical analysis of the participation of atypical workers in further training measures relied largely on information obtained from the BIBB/BAuA Employment Survey for the years 2005/06 and 2011/12.

2

Atypical workers are at a disadvantage when it comes to further vocational training

Compared to workers with standard employment contracts, atypical workers participate much less in advanced vocational training. In 2012, fewer than half of those atypically employed (47.8 percent) undertook further training, in contrast to nearly two-thirds (64 percent) of workers with standard employment contracts.

The lowest rate of participants who undertook further training were workers with mini-jobs (22.9 percent), followed by temporary workers (27.1 percent). A higher rate of participation was reported by part-time and fixed-term employees (48.5 and 48.1 percent, respectively), yet their figures are still markedly lower than those of standard employees.

Table 1: Training rates for formal¹ vocational training by employment type

Percent

	Total		Standard		Atypical		Fixed-term		Part-time		Temporary		Mini-job	
	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012	2006	2012
Formal training	57.8	58.9	62.2	64.0	48.1	47.8	44.1	48.1	48.2	48.5	43.2	27.1	22.8	22.9

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars.

Source: BIBB/Baua Employment Survey 2005/06 and 2011/12 (own calculations). Values have been extrapolated.

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The gap between the rates of participation in training is becoming greater. Whereas the margin between standard employees and atypical workers registered 14.1 percentage points in 2006, the gap had already increased to 16.2 percentage points by 2012. The biggest drop was evident among temporary employees, whose rate of participation fell from 43.2 percent to 27.1 percent.

Figure 2: Training disadvantage by employment type and gender 2006 and 2012 (formal¹ vocational training)

In percentage points



In each category, workers corresponding to the employment type are compared against those not corresponding to the employment type. For instance, workers with fixed-term contracts are compared against all workers without fixed-term contracts, collectively. The data is adjusted for influencing factors such as qualifications, employment sector, age and nationality.

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars.

Source: BIBB/BAuA Employment Survey 2005/06 and 2011/12

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The findings are influenced by factors such as the high proportion of workers with a low level of formal qualification and foreign nationals represented among those with atypical employment. However, even if such factors are accounted for statistically, there is still a distinct disadvantage among all groups of atypical workers in terms of their training opportunities (see Figure 2).

Women are more eager to undertake further training

Both sexes and almost all atypical forms of employment are shown to be at a growing disadvantage when it comes to receiving advanced training opportunities. What is noticeable, however, is that – among those with atypical employment – the number of women undertaking further training generally exceeds the number of men. This is especially interesting in light of a recent study by the Hans Böckler Foundation, which showed that, among the surveyed employees, fewer women than men reported having received an offer for advanced training from their employer.

Formal, non-formal and informal training

This study focuses primarily on **formal and non-formal vocational training – simplified here as “formal” training**. It refers to all organized learning activities in the form of **training courses, classes or seminars** – not only to those that ultimately lead to a recognized qualification. Informal vocational training, on the other hand, involves learning outside of organized activities. It often takes place casually, integrated in the regular workflow, and is thus associated with less expense and less time investment than formal training. A typical example of informal training is **when a colleague shows a worker how to use equipment at the workplace**.

3

More than one-fourth of atypical workers are in a precarious work situation

In Germany, there are currently 2.32 million workers whose income does not constitute a living wage; this means their personal net income from employment amounts to less than EUR 700, on which they are largely dependent in order to secure their livelihood. These are known as precarious workers. This group consists largely of atypical workers. Whereas only 1.4 percent of standard employees live on a monthly income below EUR 700, one out of every four atypical workers (25.4 percent) has to live on this amount (or less).

Most of all, it is the marginal workers (71.5 percent) who do not earn a living wage. Among workers with fixed-term employment, 12.2 percent are affected.

Major differences between standard and atypical employment situations

In this context, it is interesting to note that the number of workers not earning a living wage decreased by 427,000 between the years 2003 and 2009. However, atypical workers benefit less from this decline than standard employees. Among those with standard employment contracts, the proportion of precarious workers decreased by half. But among the atypical workers, the proportion of precarious workers declined only slightly, from 33.3 percent to 25.4 percent.

Table 2: Standard and atypical employees who do not earn a living wage

Absolute values in thousands, shares in percent

	Total		Standard		Atypical ¹		Fixed-term		Part-time		Temporary Aged 15–34		Mini-job	
	2003	2009	2003	2009	2003	2009	2003	2009	2003	2009	2003	2009	2003	2009
Women	2,560 18.9%	2,124 14.5%	514 5.8%	– 2.6%	– 39.0%	– 29.4%	217 22.4%	250 18.0%	– 42.6%	– 32.6%	– –	– 18.5%	1,284 78.4%	1,511 76.1%
Men	385 2.5%	319 2.0%	196 1.4%	– 0.8%	– 14.2%	– 12.0%	100 10.0%	81 6.5%	– 29.1%	– 25.2%	– –	– 4.2%	126 40.4%	279 47.4%
Total	2,751 9.5%	2,324 7.6%	639 2.8%	– 1.4%	– 33.3%	– 25.4%	305 15.5%	322 12.2%	– 41.4%	– 31.8%	– –	– 8.6%	1,425 73.1%	1,840 71.5%

¹ Not including temporary employment.

Values have been extrapolated. Precarious work (in which a worker does not earn a living wage) is defined as a situation in which a person's net income from employment is less than EUR 700 per month and in which the person is largely dependent on the employment in order to secure his or her livelihood. Absolute values are only available for fixed-term employees and employees holding mini-jobs, as well as for the total number of employed persons. There is some overlap between the different groups. For instance, a part-time, temporary employee would appear in both categories.

Source: Microcensus 2003 and 2009.

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Underlying data for the study

Up to this point, the empirical analysis has relied on information from the BIBB/BAuA Employment Survey for the years 2005/06 and 2011/12, since this represents the most current available data. However, these surveys do not include information on the unemployed. Thus, this study additionally draws on the findings from the Microcensuses conducted in 2003 and 2009, allowing for a comparison of formal training available to atypical workers and the unemployed.

The Microcensus also provides a view of employment that does not secure a person's livelihood – also known as precarious work. Precarious work is defined as a situation in which a person's net income from employment is less than EUR 700 per month and in which the person is largely dependent on this employment in order to secure his or her livelihood.

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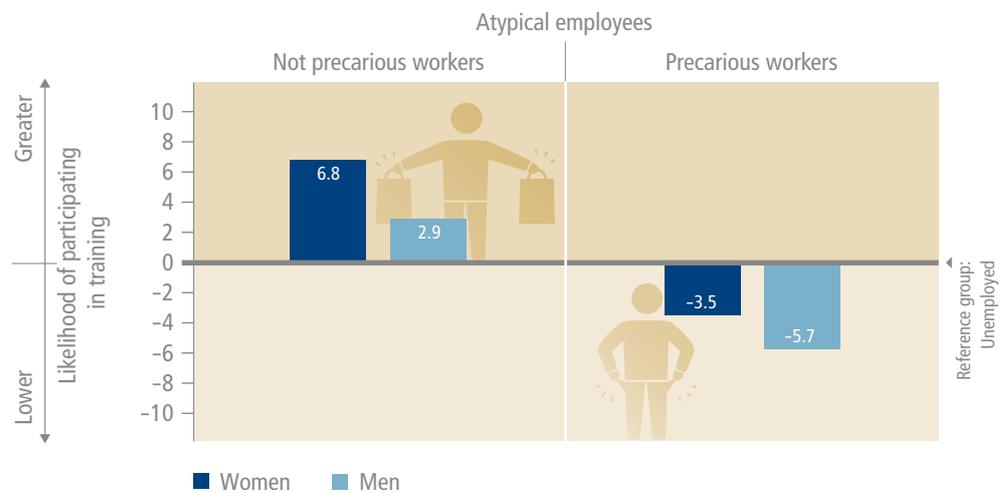
Precarious workers have fewer training opportunities than the unemployed

If an employment situation is not only atypical but also precarious, the chances of further vocational training are the lowest of all – even lower than those of the unemployed, according to figures from the Microcensus of 2009.

In the case of atypical – but not precarious – workers, the likelihood of further training lies at around 2.9 to 6.8 percentage points above that of the unemployed; whereas, in the case of precarious workers, the likelihood is 3.5 to 5.7 percentage points below that of the unemployed. This assessment has already been adjusted to account for possible influencing factors, such as qualifications and nationality.

Figure 3: Training disadvantage of atypical employees compared to the unemployed 2009 (formal¹ vocational training)

With consideration given to other influencing factors | In percentage points



The data is adjusted for influencing factors such as qualifications, employment sector, age and nationality.

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars.

An outcome of this trend is the solidification of a person's difficult social conditions. In the worst case, more and more atypical workers will find themselves in a precarious work situation. As a result, this group is bound to face consistently low wages, a low level of job security and inadequate social security – along with the corresponding high risk of poverty in old age.

5

Workers with a low level of formal qualification are at a particular disadvantage

The present analysis confirms existing studies showing that workers with a low level of formal qualification undertake considerably less training than workers with higher qualifications. Among standard employees who take part in further training, there is a gap of 21.1 percentage points between workers with a low level of formal qualification and those with higher qualifications. In fact, workers with a low level of formal qualification in an atypical employment situation participate in further training only half as often as workers with higher qualifications. They represent a risk group with a distinct training disadvantage.

Table 3: Training participation by qualification level and employment type (formal¹ vocational training)

	Total	Standard	Atypical
Highly qualified workers	61.0%	65.2%	51.0%
Workers with a low level of formal qualification ²	35.2%	44.1%	26.4%

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars.

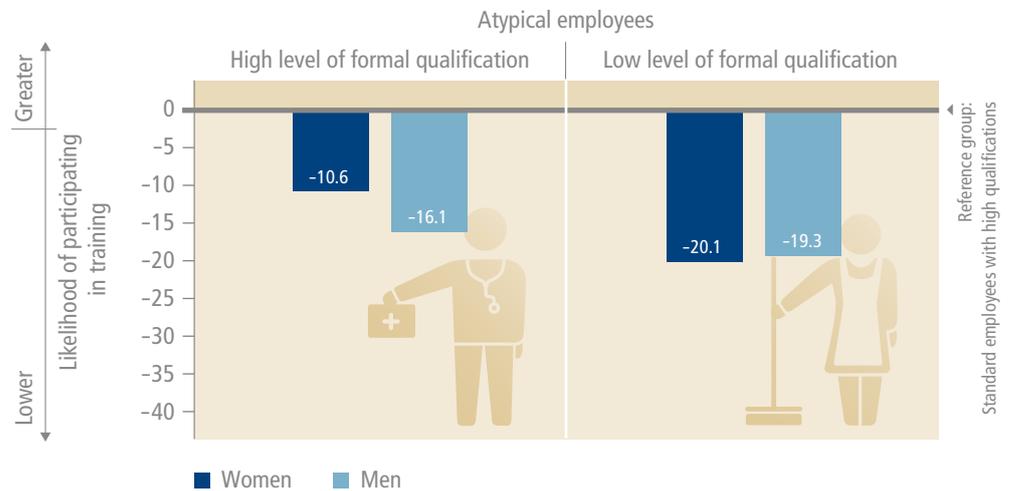
² Workers with a low level of formal qualification: workers without a vocational qualification.

Women are more strongly affected

When directly comparing workers with low and high qualifications, the training disadvantage increases by an additional 9.5 percentage points among atypically employed women with lower qualifications – and by 3.2 percentage points in the case of men.

Figure 4: Training disadvantage of atypical employees by qualification level and gender (formal¹ vocational training)

With consideration given to other influencing factors | In percentage points



The data is adjusted for influencing factors such as employment sector, age and nationality.
 Low level of formal qualification: workers without a vocational qualification.

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars.

Source: BIBB/BAuA Employment Survey 2011/12.

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Foreign workers are at a particular disadvantage

In comparing German and non-German atypical workers, a glance at the training rate reveals a similar picture as seen in the case of workers with a low level of formal qualification. Foreign workers take part in further vocational training significantly less than German workers. Even in the case of standard employees, the likelihood of participation in further training is 12.3 percentage points lower. Among atypical workers, this gap increases to 23.3 percentage points. Foreign workers in an atypical employment situation participate in further training only half as often as German workers.

Table 4: Training participation by nationality and employment type (formal¹ vocational training)

	Total	Standard	Atypical
Germans	60.3%	65.0%	50.0%
Foreign workers	43.8%	52.7%	26.7%

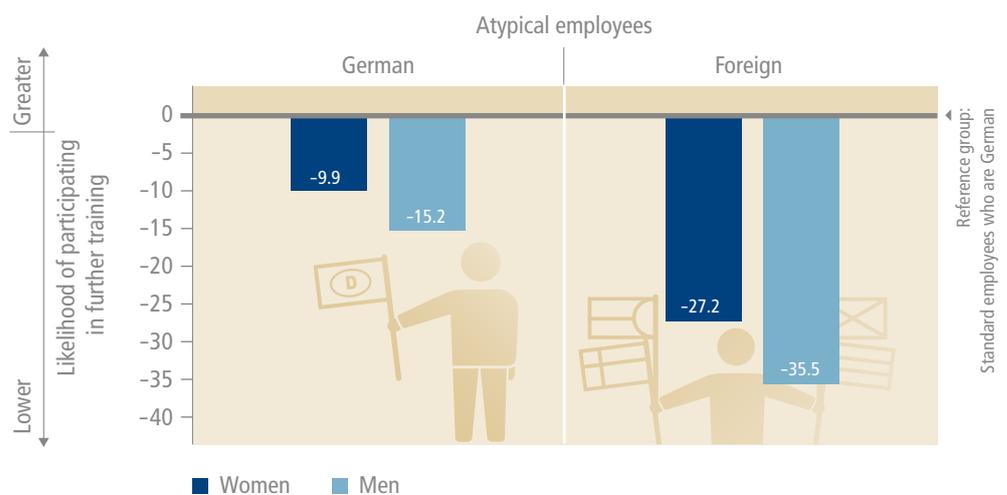
¹The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to all organized learning activities in the form of courses or seminars.

Source: BIBB/BAuA Employment Survey 2011/12 (own calculations). Values have been extrapolated.

Even when factors such as qualifications or age are taken into account, foreign workers are found to have a distinct training disadvantage among atypical workers. The effect has an almost equal bearing on women and men. For those with the simple distinction of being "not German," figures show a decrease in the rate of training participation among atypical workers by a further 17.3 percentage points in the case of women, and 20 percentage points in the case of men.

Figure 5: Training disadvantage of atypical employees by nationality and gender (formal¹ vocational training)

With consideration given to other influencing factors | In percentage points



The data is adjusted for influencing factors such as qualifications, employment sector and age.

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to all organized learning activities in the form of courses or seminars.

7

Atypical workers would like to participate in more training

Atypical workers are aware of their disadvantage when it comes to further training opportunities. Thus, they express less satisfaction in their own training situation than standard employees do. Among atypical workers, 28 percent are less satisfied or dissatisfied with the opportunities they are given to receive further training and build their knowledge. The figure is 39.5 percent for workers with mini-jobs, and 41.4 percent for temporary employees. In the case of these temporary employees, the proportion of dissatisfied workers registers three times as high as among standard employees.

Table 5: Employees' satisfaction with further training by employment type

	Total	Standard	Atypical	Fixed-term	Part-time	Temporary	Mini-job
Very satisfied	16.6%	17.0%	14.7%	17.7%	13.8%	5.8%	8.5%
Satisfied	58.2%	58.7%	57.2%	53.0%	59.1%	52.9%	51.9%
Less satisfied	18.9%	18.6%	20.2%	20.3%	20.2%	24.3%	26.4%
Dissatisfied	6.3%	5.7%	7.9%	9.0%	6.9%	17.1%	13.1%
Total	100%	100%	100%	100%	100%	100%	100%

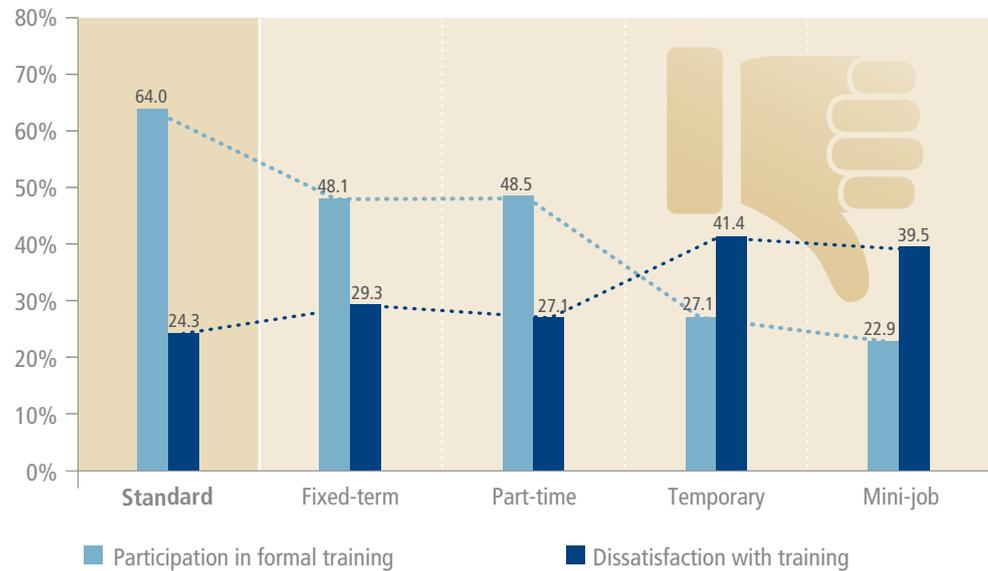
The responses were to the question: "How satisfied are you with the opportunities you have for further training and building your knowledge?"

Source: BIBB/BAuA Employment Survey 2011/12 (own calculations). Values have been extrapolated.

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These figures illustrate that many atypical workers – especially temporary employees and those with mini-jobs – would like to have better training opportunities. This is particularly evident in the fact that as opportunities for further training decrease across groups, dissatisfaction with these opportunities increases.

Figure 6: Participation in formal¹ training and dissatisfaction with the training situation, by employment type



¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to all organized learning activities in the form of courses or seminars.

Source: BIBB/BAuA Employment Survey 2011/12 (own calculations). Values have been extrapolated.

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Informal training represents a ray of hope

So far, the view of formal training for atypical workers paints a clear picture: this group is greatly disadvantaged in regard to participating in formal vocational training. However, the situation is different when it comes to participation in informal training – e.g. learning that is integrated in the workflow, such as when a colleague shows a worker how to use equipment.

For all employment types, participation in informal training is considerably higher than in formal training. This fact is especially marked in the case of atypical employment. A possible reason for this is that there are fewer obstacles to accessing informal training – since this kind of learning often takes place casually, without always involving a conscious decision about whether or not to participate.

The rate of participation in informal training among fixed-term, part-time and temporary employees (77.2 to 82.3 percent) is only slightly less than the average rate for all employment types (85.3 percent). Even among those with a mini-job, 56.6 percent participate in informal training (compared to 22.8 percent that participate in formal training).

Table 6: Participation in formal and informal¹ vocational training 2005/06

Percent

	Total	Standard	Atypical	Fixed-term	Part-time	Temporary	Mini-job
Formal	57.8	62.2	48.1	44.1	48.2	43.2	22.8
Informal	85.3	87.9	79.3	82.3	77.2	78.5	56.6

¹ The study includes both formal and non-formal vocational training but combines them here under the category "formal training," which refers to organized learning activities in the form of courses or seminars. Informal vocational training takes place outside of such organized activities – e.g. when a colleague shows a worker how to use equipment at the workplace.

Source: BIBB/BAuA Employment Survey 2005/06 (own calculations). Values have been extrapolated.

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Outlook

Certain types of atypical employment are desirable and seen by some employees in a positive light. Examples include part-time employment arrangements while raising children or when (re)integrating into the job market after a period of unemployment.

However, atypical employment also comes with considerable disadvantages. Part-time work, for instance, can lead to significant wage losses and consequently to lower pension claims. Thus, atypical forms of employment should best be limited to creating an opportunity to enter the job market. From the employee's perspective, such work is not a long-term solution.

Atypical employment can become a dead end if the employee has no suitable opportunity for further training. It is often difficult to escape the vicious cycle of atypical employment, which includes less training, fewer advancement opportunities, the solidification of one's social situation, and ultimately a profound economic uncertainty. That is why those who are atypically employed are in particular need of training opportunities. Only then can they improve their employability and take advantage of career prospects.

If the training of atypical workers continues to be neglected as it has been so far, companies and society as a whole will be losing out on an important opportunity to revive the labor market. On the one hand, they are desperately seeking qualified workers; on the other hand, they are letting potential employees stand on the sidelines. Something has to change. Of course, this requires an individual's own motivation to pursue further training (a motivation that already

exists for some atypical workers, as evident from their dissatisfaction with the training situation). But it also requires sufficient resources to be available – whether related to time or finances. For example, social partners need to develop programs to better support atypical employees. A vocational training fund developed for part-time employees, based on a collective agreement, provides some suggestions in this regard. However, employment agency programs should also place a stronger focus on this target group in the interest of pursuing preemptive employment policies. Finally, the further training opportunities should take the target group’s living situation into account. One possible approach to training in the future could be summarized as follows:

Adaptive learning forms

Atypically employed workers – especially those with low qualifications – need to experience success in their training as early as possible. Their educational background has mostly been theoretical and shaped by failure. Such experiences lower these individuals’ motivation and make it difficult to spur them back to action. They have to experience a different type of learning – e.g. one with interactive elements. These individuals need to be challenged in a way that corresponds to their performance level. The difficulty level needs to be adapted continuously and must increasingly challenge the employees. This enables those with a training disadvantage to realize that learning can actually be fun. Adaptive learning forms offer them this opportunity.

Relevant training consultation

Workers with a training disadvantage – especially those of whom are immigrants – often do not know where or to whom to turn for further training. These people need information. But they are not actively seeking it. Thus, it is essential to bring the necessary information (in the form of training consultation) to where the people live and work. This can be done by training consultants who not only speak the people’s language but who also have gained their trust by working in their particular part of town on a daily basis.

Skill-based recognition

The great amount of informal training taking place among atypical employees is an important resource in the context of professional advancement. However, it is necessary that such skills that have been acquired informally also be recognized. Temporary workers in particular could benefit from this – for example, by means of a certification such as the one the European Union has been proposing for years now (and which some neighboring European countries have already implemented).

A significant learning barrier for workers with a training disadvantage is the fact that they do not directly benefit from what they learn. The path to a recognized qualification is much too long. For many people, a three-year apprenticeship represents an insurmountable goal.

The European Commission is an important external driver on the road to recognizing informal training. It is giving European countries until 2018 to implement a system for recognition and validation of non-formal and informal learning. One example for such an implementation in a sub-area in Germany is the “Lernen im Job” (on-the-job training) plan, which shows how temporary employment agencies, companies and associations can recognize skills that have been acquired informally – and that can even lead to vocational qualifications when combined.

Not all atypical workers want to change something about their situation and to start down the demanding road of further training. But those who want to should be given opportunities that have previously been closed to them. Only then can the German training system be more fair and do its part to respond to the challenge of the increasing shortage of skilled workers.

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